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## HOUSE BILL 1861

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State of Washington 59th Legislature 2005 Regular Session

By Representatives Lantz, Flannigan, Morrell, Springer, Cody, Kirby, Williams, Miloscia, Schual-Berke, Upthegrove, Linville, O'Brien, Campbell, Wood and Kagi

Read first time 02/08/2005. Referred to Committee on Judiciary.

- AN ACT Relating to encouraging early resolution of health care claims under chapter 7.70 RCW; amending RCW 7.70.100; and adding a new section to chapter 7.70 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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- 5 **Sec. 1.** RCW 7.70.100 and 1993 c 492 s 419 are each amended to read 6 as follows:
  - (1) No action based upon a health care provider's professional negligence may be commenced unless the defendant has been given at least ninety days' notice of the intention to commence the action. If the notice is served within ninety days of the expiration of the applicable statute of limitations, the time for the commencement of the action must be extended ninety days from the service of the notice.
  - (2) The provisions of subsection (1) of this section are not applicable with respect to any defendant whose name is unknown to the plaintiff at the time of filing the complaint and who is identified therein by a fictitious name or to any defendant who cannot be found within the state after a due and diligent search.
- 18 <u>(3) After the filing of the ninety-day presuit notice, and before</u>
  19 <u>a superior court trial, a</u>ll causes of action, whether based in tort,

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contract, or otherwise, for damages arising from injury occurring as a result of health care provided after July 1, 1993, shall be subject to mandatory mediation prior to trial except as provided in subsection (6) of this section.

- $((\frac{1}{2}))$  (4) The supreme court shall by rule adopt procedures to implement mandatory mediation of actions under this chapter. The rules shall require mandatory mediation without exception unless subsection (6) of this section applies. The rules on mandatory mediation shall address, at a minimum:
- (a) Procedures for the appointment of, and qualifications of, mediators. A mediator shall have experience or expertise related to actions arising from injury occurring as a result of health care, and be a member of the state bar association who has been admitted to the bar for a minimum of five years or who is a retired judge. The parties may stipulate to a nonlawyer mediator. The court may prescribe additional qualifications of mediators;
- (b) Appropriate limits on the amount or manner of compensation of mediators;
- (c) The number of days following the filing of a claim under this chapter within which a mediator must be selected;
- (d) The method by which a mediator is selected. The rule shall provide for designation of a mediator by the superior court if the parties are unable to agree upon a mediator;
- (e) The number of days following the selection of a mediator within which a mediation conference must be held; and
- (f) ((A means by which mediation of an action under this chapter may be waived by a mediator who has determined that the claim is not appropriate for mediation; and
  - (q))) Any other matters deemed necessary by the court.
- $((\frac{3}{3}))$  (5) Mediators shall not impose discovery schedules upon the parties.
  - (6) The mandatory mediation requirement of subsection (4) of this section does not apply to an action subject to mandatory arbitration under chapter 7.06 RCW, to an action in which the parties have agreed, subsequent to the arisal of the claim, to submit the claim to arbitration under chapter 7.04 RCW, or to an action in which the parties have entered into an agreement, subsequent to the arisal of the

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1 <u>claim, to submit the claim to any other form of alternative dispute</u> 2 <u>resolution process.</u>

- (7) The legislature respectfully requests that the supreme court by rule also adopt procedures for the parties to certify to the court the manner of mediation, arbitration, or other form of alternative dispute resolution used by the parties to comply with this section.
- NEW SECTION. Sec. 2. A new section is added to chapter 7.70 RCW to read as follows:
  - (1) In an action under this chapter where a party has made an offer of settlement that complies with the provisions of subsection (2) of this section, the court may, in its discretion, award reasonable attorneys' fees and statutory costs to a prevailing party. In making the determination of whether or not reasonable attorneys' fees should be awarded to a prevailing party, the court may consider:
  - (a) Whether the party who rejected or failed to accept the offer of settlement was substantially justified in bringing the case to trial;
  - (b) The extent to which additional relevant and material facts or information became known after the offer was rejected or not accepted;
    - (c) Whether the offer of settlement was made in good faith;
- 20 (d) The closeness of questions of fact and law at issue in the 21 case;
  - (e) Whether a party engaged in conduct that unduly or unreasonably delayed the resolution of the proceeding;
    - (f) Whether the circumstances make an award unjust; and
  - (g) Any other factor the court deems appropriate under the circumstances of the case.
  - (2) An offer of settlement must be made in writing and served on the opposing party at least fifteen days before trial and not before thirty days after the completion of the service and filing of the summons and complaint. The offer must remain open for a period of not less than ten days.
  - (3) An offer of settlement shall not be filed with the court or communicated to the trier of fact until after judgment in the case, at which point a copy of the offer of settlement shall be filed with the court for the purpose of allowing the court to determine whether an award of reasonable attorneys' fees is appropriate under the circumstances of the case.

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(4) If the court determines that an award of reasonable attorneys' fees to a prevailing party is appropriate under this section, the court shall consider the factors in RCW 7.70.070 in determining the amount of reasonable attorneys' fees to be awarded. The award of reasonable attorneys' fees shall be limited to attorneys' fees incurred from the date of commencement of the trial.

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(5) For the purposes of this section, "prevailing party" means a party who makes an offer of settlement that is either rejected or not accepted by the opposing party, and who improves his or her position at trial relative to his or her offer of settlement.

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